ORIG : J.C.KING
UNIT : WH
EXT : 4494
DATE : 15 OCTOBER 1954

CLASSIFIED MESSAGE

SECRET/RYBAT
SECURITY INFORMATION

ROUTING

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TO : SR. REP. GUATEMALA CITY

FROM: DIRECTOR, CIA

CONF: WH (1-2)

INFO : DCI (3), D/DCI (4), COP (5), A/DD/P/P (6)

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
2003

DIR 21476 (OUT 84036) 182?Z 15 OCT 54

OPERATIONAL IMMEDIATE
PRECEDENCE

RYBAT

TO: SGUAT CITE: DIR

REF: A. DIR 21224 (OUT 83565)
B. GUAT 335 (IN 14801)
GUAT 338 (IN 15047)

1. HQ AWARE $900,000 MAY BE INSUFFICIENT FOR CALLIGERIS EFFECT SETTLEMENT BUT BELIEVES NEGOTIATIONS SHOULD BE OPENED WITH THIS AS MAXIMUM BECAUSE:

A. AS STATED REF. B PARA 4 CALLIGERIS HAS JUST ENOUGH FUNDS AVAILABLE PAY CURRENT BILLS.

B. AN OFFER BY CALLIGERIS OF TOTAL AMOUNT CLAIMS WOULD BE COMPLETELY OUT OF PLACE WSURNT CAPABILITIES AND OUT OF LINE LATIN AMERICAN CUSTOM OF BARGAINING.

C. ONLY PART OF FIVE MILLION GRANT AUTHORIZED AND PROSPECTS DIM FOR APPROVAL REMAINDER. UNLESS THERE ARE SPECIFIC APPROVED PROJECTS.

D. CALLIGERIS SHOULD START LOW IN FEELING OUT BRITISH POSITION.

2. IF AUTHORIZED AMOUNT PROVES INADEQUATE HQ WILL CONSIDER AND RENDER PROMPT DECISION TWO ALTERNATIVES ON BASIS INFO DEVELOPED DURING CALLIGERIS BRITISH CONVERSATIONS:

A. INCREASE TOTAL.

B. ARBITRATION, STARTING WITH PREMISE LIBERATION ARMY ACCEPTS RESPONSIBILITY SINKING SHIP BY PILOT FLYING FOR LIBERATION ARMY. THEM.

J.C.KING/CWH
RELEASING OFFICER

COORDINATING OFFICERS

SECRET/RYBAT
SECURITY INFORMATION

AUTHENTICATING OFFICER

IT IS FORBIDDEN TO MAKE A COPY OF THIS MESSAGE Copy No.